

Message Text

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22-11

ACTION NEA-10

INFO OCT-01 AF-06 ARA-06 EUR-12 ISO-00 ERDA-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01

H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-03 SP-02 SS-15 TRSE-00 FEA-01

STR-04 /114 W

----- 121257

R 261305Z OCT 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 3920

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY CARACAS

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY TEHRAN

USINT BAGHDAD

C O N F I D E N T I A L KUWAIT 4400

E.O. 11652: GDS

TAGS: ENRG, KU

SUBJ: CURRENT GOK-GULF/BP NEGOTIATIONS

REF: A. KUWAIT 4361; B. KUWAIT 4291

1. GULF REP RALSON TELEPHONED OCT 26 TO SAY HE ONCE AGAIN
RETURNING TO LONDON FOR CONSULTATION WITH COMPANY MANAGEMENT.
HE SAID MINOIL KAZEMI TOLD GULF/BP REPS AFTER MARATHON NEGOTIATING
SESSIONS THIS WEEK THAT GOK CABINET STANDING FIRMLY ON
"STANDARD CREDIT TERMS" WHICH (AT MOMENT AT LEAST) ARE 60-DAYS
CREDIT. KAZEMI SAID UNAVOIDABLE FACT IS THAT ADDITIONAL 30-DAY
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CREDIT, PLUS 15 CENT DISCOUNT, ADD UP TO EFFECTIVE 23-CENT

DIFFERENTIAL, WHEREAS DIFFERENTIAL ALREADY DETERMINED BY GOK AT MAXIMUM OF 15 CENTS PER BARREL. KAZEMI SAID DIFFERENTIAL (15 CENTS) AND 60-DAY CREDIT TERM NO LONGER NEGOTIABLE ITEMS.

2. KUWAITS DROPPED ANOTHER WORM IN CAN THIS WEEK WHEN THEY RESURRECTED CLAIM FOR "1973 BACK PAYMENTS." THIS LITTLE NUGGET DIFFICULT TO IDENTIFY PRECISELY IN HURRIED PHONE CONVERSATION, BUT WE GATHER IT INVOLVES CERTAIN PAYMENTS DISCUSSED DURING 1973 PARTICIPATION NEGOTIATIONS WHICH GOK BROUGHT UP BUT DID NOT PRESS FOR AT THE TIME ON UNDERSTANDING SAUDIS HAD NOT DEMANDED SIMILAR PAYMENTS FROM ARAMCO PARENTS. ACCORDING RALSTON, KAZEMI DISCUSSED MATTER THIS WEEK WITH YAMANI WHO SENT UP TEAM WITH FIGURES PURPORTING TO SHOW "ARAMCO" INDEAD HAD PAID. (WE UNDERSTAND "1973 BACK PAYMENTS" FOR GULF/BP MAY BE AS HIGH AS 50 MILLION DOLLARS.)

3. RALSTON SAID KAZEMI AGREED TO FURTHER DELAY OF SEVERAL DAYS IN CONCLUDING NEW AGREEMENT TO ALLOW COMPANY REPS CONSULT ONCE AGAIN IN LONDON. RALSTON SPECULATED (PROBABLY CORRECTLY) THAT KUWAITIS NOT PREPARED CONCLUDE NEGOTIATIONS IN ANY CASE UNTIL PM JABER AL-AHMAD RETURNS NEXT WEEK FROM TRIP ABROAD. WE ALSO SUSPECT THAT AMIRI SPEECH ("THRONE" SPEECH), SCHEDULED FOR DELIVERY AT OPENING OF NATIONAL ASSEMBLY OCT 28, MAY HAVE SOMETHING PUBLIC AND IRREVOCABLE TO SAY ON SUBJECT OF OIL NEGOTIATIONS.

4. RALSTON SAID HE EXPECTS RETURN TO KUWAIT ABOUT OCT 31.
STOLTZFUS

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NNN

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